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Carolina Telephone  
Centel-North Carolina  
Centel-Virginia  
United Telephone-Southeast

James B. Wright  
Senior Attorney

OFFICE OF THE  
EXECUTIVE SECRETARY

April 16, 1999

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

RE: Docket No. 97-00888 (Universal Service)  
UTSE Motion to Postpone Consideration of Certain Issues

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of United Telephone-Southeast, Inc.'s Motion to Postpone Consideration of Certain Phase II Issues in the above case. A copy of the Motion is being provided to parties of record.

If you have questions, please call me or Laura Sykora at 919-554-7323.

Very truly yours,

A handwritten signature in cursive script that reads "James B. Wright".

James B. Wright

JBW:mhh

Enclosures

CC: Steve Parrott  
Laura Sykora  
Dennis Wagner  
Parties of Record (with enclosure)

#17114

BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE

IN RE:        UNIVERSAL SERVICE GENERIC CONTESTED CASE  
               DOCKET NO. 97-00888

**UNITED TELEPHONE-SOUTHEAST, INC.**  
**MOTION TO POSTPONE CONSIDERATION OF CERTAIN PHASE II ISSUES**

United Telephone-Southeast, Inc. (hereinafter referred to as "United"), pursuant to the Tennessee Regulatory Authority's Rules of Practice and Procedure, hereby moves that the Authority postpone its proposed consideration of certain issues in this Docket at the scheduled April 20, 1999 Authority Conference. In support of this Motion, United states the following:

1. Pursuant to the issuance of a Final Conference Agenda dated April 14, 1999, the Authority gave notice that a decision respecting this Docket may be made at the April 20, 1999 Authority Conference. While the majority of the cost related issues heard during the Phase II hearings on April 15 through 22, 1998 are appropriate for deliberation and decision at this time, certain other issues which may be considered will be impacted by determinations of the Federal Communications Commission ("FCC") relative to the Federal Universal Service Fund in CC Docket No. 96-45. United believes that issues 17b, 17d, and 22, at a minimum, are directly impacted by matters under consideration by the FCC.

These issues are set forth in Attachment B to the Hearing Officer's Report from the February 3, 1998 Pre-Hearing Conference as follows:

17(b). What should be the amount of support in a Tennessee universal service support system?

17(d). How should cost be related to revenue benchmark and rates determined?

22. How may universal service support contributions be recovered by the carriers/providers making them?

(a) Can carriers contributing to universal service fund recover those payments and if so how?

United fully agrees that a decision regarding issues 17b, 17d and 22 must be made at some point. Given the importance of this Docket to the future of Tennessee and all of its citizens, the deliberations in this proceeding should be comprehensive and should include all relevant information. In particular, United believes that information about the level of interstate universal service funding and how and to what extent the federal fund may assist with the state universal service fund is crucial to these proceedings.

2. By Order dated July 17, 1998, the Federal Communications Commission referred three issues to the Federal-State Joint Board on Universal Service. The FCC asked the Joint Board to issue a Recommended Decision on these issues by November 23, 1998. Importantly, the FCC asked the Joint Board to review the extent to which federal universal service support should be applied to the intrastate jurisdiction. On November 23, 1998 the Federal-State Joint

Board Recommended Decision was issued and the FCC has now taken this Recommended Decision under consideration.

3. The FCC stated in its July 17, 1998 Order that it would "issue an order on the issues addressed in the Joint Board's Recommended Decision in time to implement the revised mechanism for non-rural carriers by July 1, 1999." United believes the Joint Board's recommendations and the FCC's decision, particularly with respect to the level of interstate universal service funding, could significantly impact this proceeding. In this regard, a postponement of the deliberation in this proceeding, at a minimum, of Issues 17b, 17d and 22 pending the FCC's decision would serve the interest of judicial economy by enabling this Authority to later address the issues in this proceeding in light of the FCC's decision, and by avoiding premature decisions that may later be superseded or require reconsideration in light of the FCC's actions.

Furthermore, the primary purpose of this proceeding is rendered very difficult prior to the FCC's decision. In the absence of a decision from the FCC on federal universal service funding and other relevant issues, a state will be unable to forecast or anticipate the environment that any state fund might be a part since it is contingent upon subsequent actions by the FCC which could impact the level of interstate funding.

For these reasons, United suggests that a delay in the consideration in this proceeding at a minimum of Issues 17b, 17d and 22 is appropriate until

after the FCC issues a final decision on the federal universal service fund in view of the present uncertainty on the scope and structure of the federal fund.

4. To the best of United's knowledge and belief a postponement of decision regarding these issues pending further and more definitive action by the FCC with respect to the level of interstate funding and other universal service issues would not unfairly prejudice any party to this proceeding, and would likely benefit all parties, the Authority, and the citizens of Tennessee.

#### REQUEST FOR RELIEF

For the reasons stated above, United respectfully requests that the Authority postpone deliberation of Issues 17b, 17d, and 22 until no more than sixty days after a final ruling by the FCC in CC Docket 96-45.

WHEREFORE United prays that its Motion be granted.

UNITED TELEPHONE-SOUTHEAST, INC.

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April 16, 1999  
#17113